

old Colombian silver coins and for the co-operation of the two governments by the sale of drafts at reasonable rates in order to maintain parity.¹ Banking was done, prior to the American occupation, by the larger commercial houses, but a branch of the International Banking Corporation of New York was established in 1904, and such branches existed in 1908 at Colon, Panama, and Empire.

Ecuador has two banks of issue—the Bank of Ecuador and the Bank of Commerce and Agriculture. The capital of the Bank of Ecuador, which was established in 1867 at Guayaquil, has been increased from time to time, until in 1907 it was 3,000,000 sucres (\$1,500,000). The other institution has a capital of 5,000,000 sucres (\$2,500,000). The banking law requires reserves to be kept to the amount of one-third of the circulation, at least one-half of such reserves to be in gold. In fact, practically the whole of the reserve is now kept in gold, the amount of gold held against outstanding notes at the close of 1906 having been 4,198,611 sucres and the note circulation 8,043,454 sucres.^a

The monetary system of Ecuador is substantially the same as that of Peru—a gold standard, with a coin known as the condor as the unit, of the same value as the English pound sterling, and with a large use of silver coins issued at near the ratio of 31 to 1. The silver unit, known as the sucre, from a former President of the Republic, is of the weight of the French 5-franc piece (25 grams), but is worth in gold only one-tenth of the pound sterling (\$0.486). The law establishing this system was enacted in 1898 and took effect in 1900. Full provision was made for the exchange and exportation of surplus silver of old types and of foreign coins.⁸ Bank-notes convertible into gold form the bulk of the actual circulation.

¹ An agreement to prevent excessive charges for exchange was made between the Canal Commission and the local bankers, April 29* 1905.—Hearings before the Finance Committee of the United States Senate, 36.

³ *Statesman's Year Book* 1908, 910.

³ *Report of the Director of the Mint, 1900, 332.*